

AUCTION REDEMPTION SYSTEM AND METHOD

ABSTRACT

An electronic auction system known as the Yahoo! Auction System provides auction services and related functionality that permits users to conduct auction transactions with various payment units, such as incentive points and credit points, as well as money. Points can be earned in a variety of ways including purchasing a product, viewing an advertisement (“click-thru” ads), or registering with a website. Points can be redeemed via online auctions. The Yahoo! Auction System is implemented as a server that is accessible with a web browser to those consumers who have access to the Internet. The server includes a web server, a messaging server, a database server, and various databases (i.e., auction database, account database, seller database, bidder database, bid database). The account database contains information about each participant’s account, whether buyer or seller. The account provides a repository for points, whether earned through an auction sale or designated for distribution to potential customers. The account information includes account balance, expiration date for each point or group of points, redemption information, and whether the account is authorized for using points for credit. The Yahoo! Auction System provides a number of different auction formats for its users. These auction formats include Standard Auction, Dutch Auction, Progressive Auction, Buy-or-Bid Auction, and Declining Bid Auction. Regardless of the format, the Yahoo! Auction System reserves the bid amount associated any new valid bid in the bidder’s account and unreserves those bid amounts that were previously reserved but are no longer the winning bid (i.e., Standard Auction) or otherwise displaced from the top bid positions (i.e., for multiple items).